

**MEGA EQUITY SECURITIES &
FINANCIAL SERVICES PUBLIC
LIMITED**

FINANCIAL STATEMENTS
Year ended 31 December 2025

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

FINANCIAL STATEMENTS Year ended 31 December 2025

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MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Andreas Papacharalampous Nikolas Papakostas Charis Charidimou Nicos Hadjijoseph
Company Secretary	KKLAW Secretarial Limited
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors 10 Esperidon Street 1087 Nicosia PO Box 21656 1511 Nicosia, Cyprus
Legal Advisers	Koushos Korfiotis Papacharalambous LLC
Registered office	42-44 Griva Digeni Avenue 3rd floor 1080, Nicosia Cyprus
Bankers	Bank of Cyprus Public Company Limited Piraeus Bank SA Eurobank Limited (formerly Hellenic Bank Public Company Limited)
Registration number	HE107394

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

MANAGEMENT REPORT

The Board of Directors of Mega Equity Securities & Financial Services Public Limited (the "Company") presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2025.

Incorporation

Mega Equity Securities & Financial Services Public Limited (the "Company") was incorporated in Cyprus on 17 December 1999 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, are the provision of brokerage and investment services. The Company provides access to global financial markets through the reception, transmission and execution of orders in a wide range of financial instruments, including equities, bonds, exchange-traded funds (ETFs) and derivatives. It also offers investment advisory services through certified investment advisors, as well as investment management, risk management and depositary-related services to Alternative Investment Funds (AIFs). On 12 May 2003, the Cyprus Securities and Exchange Commission granted the Company operating licence number 011/03 as a Cyprus Investment Services Company (CIF). During 2006, based on a decision of the Council of the Athens Stock Exchange, the Company acquired the status of a remote member of the Securities Market of the Athens Stock Exchange within the framework of the Joint Platform of the Athens Stock Exchange - Cyprus Stock Exchange.

Review of current position, and performance of the Company's business

The net profit for the year attributable to the shareholders of the Company amounted to €71.951 (2024: €38.608). On 31 December 2025 the total assets of the Company were €2.178.768 (2024: €2.334.500) and the net assets of the Company were €1.887.459 (2024: €1.819.316). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 7, 8 and 26 of the financial statements.

Future developments of the Company

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

Existence of branches

The Company does not maintain any branches.

Results

The Company's results for the year are set out on page 7.

Dividends

Taking into consideration the Company's results for the year ended 31 December 2025, the Board of Directors has decided not to recommend the payment of a dividend.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2025 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2025.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

MANAGEMENT REPORT

Operating Environment of the Company

Any significant events that relate to the operating environment of the Company are described in note 26 of the financial statements.


Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 31 of the financial statements.

Independent Auditors

The independent auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



.....
Nikolas Papakostas
Director



.....
Charis Charidimou
Director

Nicosia, 30 April 2026

Independent Auditor's Report

To the Members of Mega Equity Securities & Financial Services Public Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mega Equity Securities & Financial Services Public Limited (the "Company"), which are presented in pages 7 to 37 and comprise the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Responsibilities of the Board of Directors for the Financial Statements (continued)

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Shape the future
with confidence

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

A handwritten signature in blue ink, appearing to read 'Andri Hadjikkou', is written over a faint horizontal line.

Andri Hadjikkou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 30 April 2026

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2025

	Note	2025 €	2024 €
Operating income	9	3.810.848	3.960.466
Operating expenses	10	<u>(2.570.962)</u>	<u>(2.648.726)</u>
Net operating income		1.239.886	1.311.740
Other operating income	11	7.000	38.000
Fair value loss of financial instruments		(10.868)	-
Administration expenses	12	<u>(1.121.251)</u>	<u>(1.289.058)</u>
Operating profit		114.767	60.682
Finance income	14	7.415	4.236
Finance costs	14	<u>(4.274)</u>	-
Profit before tax		117.908	64.918
Tax	15	<u>(45.957)</u>	<u>(26.310)</u>
Net profit for the year		71.951	38.608
Other comprehensive income		-	-
Total comprehensive income for the year		<u>71.951</u>	<u>38.608</u>

The notes on pages 11 to 37 form an integral part of these financial statements.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2025

	Note	2025 €	2024 €
ASSETS			
Non-current assets			
Property, plant and equipment		52.290	16.840
Right-of-use assets	16	55.642	-
Investment properties	17	641.999	634.999
Intangible assets	18	77.777	-
Contribution to the investor compensation fund	20	97.852	97.852
Total non-current assets		925.560	749.691
Current assets			
Trade and other receivables	19	1.166.629	1.412.334
Financial assets at fair value through profit or loss		17.485	25.813
Contract assets		-	29.750
Cash at bank and in hand	21	69.094	116.912
Total current assets		1.253.208	1.584.809
Total assets		2.178.768	2.334.500
EQUITY AND LIABILITIES			
Equity			
Share capital	22	4.832.464	4.832.464
Share premium	22	181.608	181.608
Accumulated losses		(3.126.613)	(3.194.756)
Total equity		1.887.459	1.819.316
Non-current liabilities			
Lease liabilities	23	39.829	-
Total non-current liabilities		39.829	-
Current liabilities			
Trade and other payables	24	187.102	488.042
Lease liabilities	23	17.788	-
Current tax liabilities	25	46.590	27.142
Total current liabilities		251.480	515.184
Total liabilities		291.309	515.184
Total equity and liabilities		2.178.768	2.334.500

On 30 April 2026 the Board of Directors of Mega Equity Securities & Financial Services Public Limited authorised these financial statements for issue.

.....
Nikolas Papakostas
Director

.....
Charis Charidimou
Director

The notes on pages 11 to 37 form an integral part of these financial statements.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Share capital €	Share premium (1) €	Accumulated losses (2) €	Total €
Balance at 1 January 2024	4.832.464	181.608	(3.228.790)	1.785.282
Comprehensive income				
Net profit for the year	-	-	38.608	38.608
Transactions with owners				
Defence tax on deemed dividend distribution	-	-	(4.574)	(4.574)
Balance at 31 December 2024/ 1 January 2025	4.832.464	181.608	(3.194.756)	1.819.316
Comprehensive income				
Net profit for the year	-	-	71.951	71.951
Transactions with owners				
Defence tax on deemed dividend distribution	-	-	(3.808)	(3.808)
Balance at 31 December 2025	4.832.464	181.608	(3.126.613)	1.887.459

(1) Share premium is not available for distribution.

(2) Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 11 to 37 form an integral part of these financial statements.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 €	2024 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		117.908	64.918
Adjustments for:			
Depreciation of property, plant and equipment		7.564	4.294
Depreciation of right-of-use assets	16	18.547	-
Unrealised exchange loss		125	-
Change in fair value of financial instruments		10.868	-
Fair value gain on investment property	17	(7.000)	(38.000)
Bad debts recovered		(25)	-
Interest income	14	(525.750)	(4.236)
Interest expense	14	4.149	-
Increase in loss allowance of trade receivables	19	267.471	92.000
Bad debts written off		66.696	148.084
		(39.447)	267.060
Changes in working capital:			
Increase in trade and other receivables		(115.228)	(425.411)
Decrease/(increase) in contract assets		29.750	(29.750)
(Decrease)/increase in trade and other payables		(300.942)	26.373
Cash used in operations		(425.867)	(161.728)
Tax paid		(26.311)	-
Defence paid		(1.148)	-
Net cash used in operating activities		(453.326)	(161.728)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	18	(60.077)	-
Payment for purchase of property, plant and equipment		(43.014)	(10.000)
Interest received		522.725	4.236
Net cash generated from/(used in) investing activities		419.634	(5.764)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of leases liabilities		(13.606)	-
Interest paid		(520)	-
Net cash used in financing activities		(14.126)	-
Net decrease in cash and cash equivalents		(47.818)	(167.492)
Cash and cash equivalents at beginning of the year		116.912	284.404
Cash and cash equivalents at end of the year	21	69.094	116.912

The notes on pages 11 to 37 form an integral part of these financial statements.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

1. Corporate information

Country of incorporation

The Company Mega Equity Securities & Financial Services Public Limited (the "Company") was incorporated in Cyprus on 17 December 1999 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 42-44 Griva Digeni Avenue, 3rd floor, 1080, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the provision of brokerage and investment services. The Company provides access to global financial markets through the reception, transmission and execution of orders in a wide range of financial instruments, including equities, bonds, exchange-traded funds (ETFs) and derivatives. It also offers investment advisory services through certified investment advisors, as well as investment management, risk management and depositary-related services to Alternative Investment Funds (AIFs). On 12 May 2003, the Cyprus Securities and Exchange Commission granted the Company operating licence number 011/03 as a Cyprus Investment Services Company (CIF). During 2006, based on a decision of the Council of the Athens Stock Exchange, the Company acquired the status of a remote member of the Securities Market of the Athens Stock Exchange within the framework of the Joint Platform of the Athens Stock Exchange - Cyprus Stock Exchange.

2. Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Functional and presentation currency

The financial statements are presented in Euro (€) which is the functional currency of the Company.

4. Adoption of new or revised standards and interpretations

During the current year, the Company adopted all the new and revised IFRSs that are relevant to its operations and are effective for accounting periods beginning on 1 January 2025. This adoption did not have a material effect on the accounting policies of the Company.

5. Material accounting policy information

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

- **Sale of products**

Sales of products are recognised at the point in time when the Company satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

- **Commission income**

Commission income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

- **Financial services income**

Revenue from financial services is recognized when the related transactions are completed and the revenue can be reasonably determined.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Revenue (continued)

- **Contract assets**

In case the services rendered by the Company as of the reporting date exceed the payments made by the customer as of that date and the Company does not have the unconditional right to charge the client for the services rendered, a contract asset is recognised. The Company assesses a contract asset for impairment in accordance with IFRS 9 using the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the contract asset. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9. If the payments made by a customer exceed the services rendered under the relevant contract, a contract liability is recognised. The Company recognises any unconditional rights to consideration separately from contract assets as a trade receivable because only the passage of time is required before the payment is due.

Contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Investment properties

Investment property, principally comprising land is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss and are included in other operating income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents its right-of-use assets that do not meet the definition of investment property separately in the statement of financial position.

The lease liabilities are presented separately in the statement of financial position.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair Value through Other Comprehensive income (FVOCI) debt investment, FVOCI equity investment, or FVTPL.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Financial assets (continued)

Financial assets - Recognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Financial assets (continued)

Financial assets - Measurement (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Financial assets (continued)

Financial assets - modification (continued)

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 7, Credit risk section.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Financial assets (continued)

Classification as trade receivables (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

6. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

7. Financial risk management objectives and policies

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

7.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's income and operating cash inflows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets and liabilities.

At the reporting date the interest rate profile of interest-bearing financial liabilities was as follows:

	2025	2024
	€	€
Fixed rate instruments		
Financial liabilities	<u>57.617</u>	-
	<u>57.617</u>	-

7.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on an individual basis.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

These policies enable the Company to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables and contract assets
- receivables from related parties
- cash and cash equivalents

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables and contract assets the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of asset subject to the expected credit loss model is set out below:

Trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2025 or 1 January 2025 respectively and the corresponding historical credit losses experienced within this period.

On that basis, the loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for both trade receivables and contract assets:

	31 December 2025				Total €
	0 - 180 days past due €	181 - 365 days past due €	1-2 years past due €	More than 2 years past due €	
Expected loss rate - general	21,0%	25,0%	55,0%	85,0%	
Expected loss rate - specific	55,0%	100,0%	100,0%	100,0%	
Gross carrying amount - general	522.230	26.613	46.987	282.664	878.494
Gross carrying amount - specific	46.741	9.244	26.117	56.554	138.656
Loss allowance	135.412	12.705	51.957	296.800	496.874
	31 December 2024				Total €
	0 - 180 days past due €	181 - 365 days past due €	1-2 years past due €	More than 2 years past due €	
Expected loss rate	4,0%	13,0%	50,0%	60,0%	
Gross carrying amount - trade receivables	426.416	86.276	117.664	343.847	974.203
Gross carrying amount - contract assets	29.750	-	-	-	29.750
Loss allowance	18.247	11.216	58.832	205.886	294.181

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables and contract assets (continued)

The loss allowances for trade receivables as at 31 December 2025 and 31 December 2024 reconcile to the opening loss allowances as follows:

	Trade receivables	
	2025	2024
	€	€
Balance at 1 January	294.181	779.182
Increase in loss allowance recognised in profit or loss during the year	267.471	92.000
Receivables written off during the year as uncollectible	(64.778)	(577.001)
Balance at 31 December	<u>496.874</u>	<u>294.181</u>

Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024:

Company internal credit rating	2025	2024
	€	€
Performing	<u>78.061</u>	<u>222.755</u>
Total	<u>78.061</u>	<u>222.755</u>

The Company does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024:

External credit rating - Moody's	2025	2024
	€	€
A3	64,447	-
Baa1	2,639	44,868
Baa3	-	69,440
Total	67,086	114,308

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

7.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments:

31 December 2025	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Lease liabilities	57,617	63,600	-	20,400	21,600	21,600	-
Trade and other payables	114,624	114,624	-	114,624	-	-	-
	172,241	178,224	-	135,024	21,600	21,600	-

31 December 2024	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Trade and other payables	160,284	160,284	-	160,284	-	-	-
Payables to related parties	279,982	279,982	-	279,982	-	-	-
	440,266	440,266	-	440,266	-	-	-

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.4 Capital risk management

Capital includes equity shares and share premium.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions, in order to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's overall objectives, policies and processes remain unchanged from last year.

8. Critical accounting estimates, judgments and assumptions

The preparation of the Company's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Company's accounting policies, Management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the financial statements:

- **Fair value of investment property**

The fair value of investment property is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 7, Credit risk section.

An increase or decrease in PDs by 1% compared to the PDs used in the ECL estimates calculated at 31 December 2025 would result in an increase or decrease in credit loss allowance of €4.969.

- **Determination of the lease term**

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management has determined that the lease term is 4 years in accordance with the contractual terms, without applying any extension options as these are not reasonably certain to be exercised.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

9. Operating income

	2025	2024
	€	€
Brokerage commission income and investment services	3.137.766	3.276.816
Interest income on client accounts	518.335	93.836
Other services	154.747	589.814
	<u>3.810.848</u>	<u>3.960.466</u>

10. Operating expenses

	2025	2024
	€	€
Agent commissions	2.196.580	2.524.546
Stock exchange and other expenses	175.721	124.005
Business Development Expenses	141.466	-
Interest expense on client accounts	57.195	175
	<u>2.570.962</u>	<u>2.648.726</u>

11. Other operating income

	2025	2024
	€	€
Fair value gain on investment properties (Note 17)	7.000	38.000
	<u>7.000</u>	<u>38.000</u>

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

12. Administration expenses

	2025	2024
	€	€
Staff costs (Note 13)	437.953	318.958
Bank expenses	3.230	23.732
Municipality taxes	411	2.928
Electricity	6.711	8.753
Cleaning expenses	2.970	2.450
Insurance	1.210	1.190
Repairs and maintenance	16.862	15.272
Sundry expenses	48.315	122.225
Telephone and postage	12.320	16.157
Stationery and printing	2.365	3.712
Subscriptions and contributions	83.308	141.751
Consulting fees	35.000	133.491
Staff training	3.290	3.910
Telephone services and IT consumables	4.690	9.128
Auditor's remuneration	14.000	14.000
Legal and professional fees	71.693	205.603
Travelling	645	21.420
Depreciation of right of use assets (Note 16)	18.547	-
Bad debts written-off	65.098	148.084
Increase in loss allowance of trade receivables (Note 19)	267.471	92.000
Impairment charge on other receivables	1.598	-
Discount allowed	16.000	-
Depreciation	7.564	4.294
	<u>1.121.251</u>	<u>1.289.058</u>

13. Staff costs

	2025	2024
	€	€
Salaries	378.189	275.458
Social security costs	59.764	43.500
	<u>437.953</u>	<u>318.958</u>
Average number of employees	<u>10</u>	<u>8</u>

14. Finance income/(costs)

	2025	2024
	€	€
Interest income	7.415	4.236
Finance income	<u>7.415</u>	<u>4.236</u>
Foreign exchange losses	(125)	-
Interest expense on lease liabilities (Note 23)	(3.828)	-
Interest expense on taxes	(321)	-
Finance costs	<u>(4.274)</u>	<u>-</u>
Net finance income	<u>3.141</u>	<u>4.236</u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

15. Tax

	2025	2024
	€	€
Corporation tax	45.758	26.310
Other tax	199	-
Charge for the year	45.957	26.310

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2025	2024
	€	€
Profit before tax	117.908	64.918
Tax calculated at the applicable tax rates	14.739	8.115
Tax effect of expenses not deductible for tax purposes	31.894	21.082
Tax effect of allowances and income not subject to tax	(5.035)	(5.133)
Tax effect of tax losses brought forward	-	(146)
10% additional charge	4.160	2.392
Other tax	199	-
Tax charge	45.957	26.310

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 17%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

16. Right-of-use assets

	Buildings €
Cost	
Balance at 1 January 2024	-
Balance at 31 December 2024/ 1 January 2025	-
Additions	74.189
Balance at 31 December 2025	74.189
Depreciation	
Balance at 1 January 2024	-
Balance at 31 December 2024/ 1 January 2025	-
Charge for the year	18.547
Balance at 31 December 2025	18.547
Net book amount	
Balance at 31 December 2025	55.642
Balance at 31 December 2024	-

As of 1 January 2025, the Company entered into a new lease agreement for the lease of its office premises with a contract duration of 4 years.

Amounts recognised in profit and loss:

	2025	2024
	€	€
Depreciation of right-of-use assets (Note 12)	18.547	-
Interest expense on lease liabilities (Note 14)	3.828	-

17. Investment properties

	2025	2024
	€	€
Balance at 1 January	634.999	596.999
Fair value gain	7.000	38.000
Balance at 31 December	641.999	634.999

Fair value hierarchy

The fair value of investment property was determined on the basis of the comparable method by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The Company's investment properties are measured at fair value as at 31 December 2025 and 31 December 2024.

Changes in fair values are presented in profit or loss. The Company holds three investment properties comprising of land in Cyprus.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

18. Intangible assets

	Computer software €
Cost	
Balance at 1 January 2024	-
Balance at 31 December 2024/ 1 January 2025	-
Additions	77.777
Balance at 31 December 2025	77.777

During 2025, the Company entered into a software license and service agreement for the development of the computer software. As at 31 December 2025, the development has not yet been finalized and the computer software is not operational.

19. Trade and other receivables

	2025 €	2024 €
Trade receivables	1.017.150	974.203
Less: credit loss on trade receivables	(496.874)	(294.181)
Trade receivables - net	520.276	680.022
Shareholders' current accounts - debit balances (Note 27.4)	78.061	222.755
Deposits and prepayments	3.295	14.455
Advances to subcontractors	545.081	462.720
Other receivables	19.916	32.382
	1.166.629	1.412.334

The Company does not hold any collateral over the trading balances.

Movement in provision for impairment of receivables:

	2025 €	2024 €
Balance at 1 January	294.181	779.182
Increase in loss allowance in profit or loss during the year	267.471	92.000
Receivables written off as uncollectible	(64.778)	(577.001)
Balance at 31 December	496.874	294.181

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 7 of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

20. Contribution to the investor compensation fund

	2025	2024
	€	€
Investor compensation fund deposit	<u>97.852</u>	<u>97.852</u>

The Company's contribution to the Investor Compensation Fund is a mandatory deposit based on Directive 144-2007-15 of 2015 of the Cyprus Capital Market Commission for the continuation of the operation and operation of the Investor Compensation Fund for clients of Cypriot Investment Services Companies (CIF) and is recognized on the balance sheet in non-current assets. This contribution is not available for use by the Company.

21. Cash at bank and in hand

Cash balances are analysed as follows:

	2025	2024
	€	€
Cash in hand	2.008	2.604
Cash at bank	<u>67.086</u>	<u>114.308</u>
	<u>69.094</u>	<u>116.912</u>

Cash and cash equivalents by currency:

	2025	2024
	€	€
United States Dollars	15	-
Euro	<u>67.071</u>	<u>114.308</u>
	<u>67.086</u>	<u>114.308</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the financial statements.

22. Share capital and share premium

	2025	2025	2024	2024
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €0,15 each	<u>56.666.667</u>	<u>8.500.000</u>	<u>56.666.667</u>	<u>8.500.000</u>
Issued and fully paid				
	Number of shares	Share capital	Share premium	Total
		€	€	€
Balance at 1 January 2024	<u>32.216.426</u>	<u>4.832.464</u>	<u>181.608</u>	<u>5.014.072</u>
Balance at 31 December 2024/ 1 January 2025	<u>32.216.426</u>	<u>4.832.464</u>	<u>181.608</u>	<u>5.014.072</u>
Balance at 31 December 2025	<u>32.216.426</u>	<u>4.832.464</u>	<u>181.608</u>	<u>5.014.072</u>

As of 31 December 2024, the 32.216.426 issued ordinary shares include shares with an initial par value €59.801 that have not been paid by shareholders. During 2025, the Company has written off this balance as not recoverable.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

22. Share capital and share premium (continued)

Capital Reorganisation

During the year, the Extraordinary General Meeting of shareholders held on 4 December 2025 approved the following capital restructuring measures:

Reduction of Share Premium Account: The share premium account to be reduced by €181.608 to a nil balance. The full amount to be applied to offset accumulated losses of the Company.

Reduction of Nominal Value: The nominal value of each ordinary share to be reduced from €0,15 to €0,05. The total amount arising (€3.221.642,60) to be allocated as follows: €3.013.149,00 against accumulated losses and €208.493,60 to a capital reduction reserve under Article 64(1)(e) of the Companies Law (Cap. 113).

Re-increase of Authorised Capital: Following the reduction, the authorised share capital to be re-increased to €8.500.000, divided into 170.000.000 ordinary shares of €0,05 each.

Share Buyback Authorisation: The Board of Directors to be authorised to acquire up to 3.221.642 of the Company's own ordinary shares under the conditions set out in Special Resolution 5. No shares had been repurchased under this authorisation as at 31 December 2025.

The capital reduction measures are subject to confirmation by the competent District Court under the Companies Law (Cap. 113). Once court approval is obtained, the Company intends to proceed with the implementation of the share buyback programme in accordance with the terms and conditions approved by the Extraordinary General Meeting.

23. Lease liabilities

	2025	2024
	€	€
Additions	74.189	-
Accrued repayments	(20.400)	-
Interest (Note 14)	3.828	-
Balance at 31 December	57.617	-

	Minimum lease payments		The present value of minimum lease payments	
	2025	2024	2025	2024
	€	€	€	€
Not later than 1 year	20.400	-	17.788	-
Later than 1 year and not later than 5 years	43.200	-	39.829	-
	63.600	-	57.617	-
Future finance charges	(5.983)	-	-	-
Present value of lease liabilities	57.617	-	57.617	-

As of 1 January 2025, the Company entered into a new lease agreement for the lease of its office premises with a contract duration of 4 years. For the year ended 31 December 2025, the average effective borrowing rate was 5,16% per annum.

All lease obligations are denominated in Euro.

The fair values of lease obligations approximate to their carrying amounts as presented above.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

24. Trade and other payables

	2025	2024
	€	€
Trade payables	65.118	159.417
Accruals	72.478	47.776
Other creditors	49.506	867
Payables to other related parties (Note 27.3)	-	279.982
	<u>187.102</u>	<u>488.042</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

25. Current tax liabilities

	2025	2024
	€	€
Corporation tax	46.590	27.142
	<u>46.590</u>	<u>27.142</u>

26. Operating Environment of the Company

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Company is not directly exposed. Management will continue to monitor the situation closely and take appropriate actions when and if needed.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.